



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3755	Signed by Governor on September 30, 2020
Author:	Sandifer	
Subject:	Auto Insurance Coverage	
Requestor:	House of Representatives	
RFA Analyst(s):	Miller	
Impact Date:	November 20, 2020	

Fiscal Impact Summary

This bill will have no expenditure impact on the Department of Insurance (DOI) because it is in the normal course of business for DOI to review insurers' documentation when a complaint is filed and to issue guidance to the insurance industry.

This bill may impact local government revenues from interest on delinquent tax sales; however, any impact is anticipated to be minimal.

Explanation of Fiscal Impact

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State Expenditure

This bill defines reduction of coverage to include the removal of coverage, less coverage, or the addition of an exclusion made by the insurer for purposes of automobile insurance. Additionally, the insurer does not have to provide notice of cancellation if it has manifested a willingness to renew a policy with a reduction in coverage so long as notice of the reduction is provided and meets the requirements as outlined in the bill. DOI's director or his designee will be provided the notice of reduction of coverage upon request when investigating a consumer complaint or when otherwise requested. Also, the director or his designee may issue guidance to an insured or to the industry regarding the form and contents of the notice of reduction of coverage in response to consumer inquiries or complaints. Currently, an insurer is not required to provide notice or a reduction in policy coverage.

The review of insurers' documentation when a complaint is filed and the issuance of guidance to the insurance industry are within the normal scope of business for DOI and therefore, this bill will have no fiscal impact on DOI.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

The bill adds language to require that real property sold at delinquent tax sale in 2019 for which the twelve-month exemption period had not expired as of the effective date of this act is

extended for twelve additional months. Interest on this transaction accrues in the same manner and rate as interest in the original redemption period. While this could impact local revenues by increasing the amount of interest collected on such properties for FY 2021-22, this one-time increase is anticipated to be minimal.

A handwritten signature in blue ink, reading "Frank A. Rainwater". The signature is fluid and cursive, with a large, stylized "F" and "R".

Frank A. Rainwater, Executive Director